RAJYA SABHA

Tuesday, the 15th March, 1988/25 Phalguna, 1909 (Saka)

The House met at eleven of the clock.

Mr. Chairman in the chair.

ORAL ANSWERS TO QUESTIONS

Introduction of computers in Banks

*281. SHRIMATI VEENA VERMA:†
SHRI KAPIL VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that various employees' associations in banks have represented against the introduction of computers in the banks indiscriminately;

(b) if so, what are the details in this regard;

(c) whether Government propose to reconsider the issue; and

(d) if so, by when?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d) A Statement is laid on the Table of the House.

Statement

The programme of computerisation/mechanisation in public sector banks is being implemented in terms of settlements arrived at in 1983 and 1987 between Indian Banks' Association and the major workmen unions. Some other unions have however, not subscribed to these settlements. The programmes taken are modest and are being implemented in a phased manner involving no retrenchment of staff as a result of introduction of machines/computers.

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†The question was actually asked on the floor of the House by Shrimati Veena Verma.

श्रीमती वीणा वर्मा : सभापति महोदय, मैं माननीय मंत्री जी से जानना चाहूंगी कि कंप्यूटराइजेशन के बारे में उन्होंने जवाब दिया है कि अभी इस दिशा में कुछ कार्यक्रम तैयार किये गये हैं और वे साधारण किस्म के प्रोग्राम होंगे, तो ये साधारण किस्म के प्रोग्राम क्या हैं ?

दूसरा, कुछ समय पूर्व सरकार ने घोषणा की थी कि चार बड़े शहरों में बैंकों में चैक कैश कराने की कम्प्यूटराइजेशन की स्कीम शुरु करेंगे जिसमें कम्प्यूटर में चैक डालने से एकाउन्ट वगैरह का पता लग जाता है। मैं जानना चाहती हूं कि इस बारे में सरकार द्वारा जो घोषणा की गई थी उसमें देरी का क्या कारण है और यह व्यवस्था कब तक शुरु की जा सकेगी ?

सी पार्ट मेरा है कि कम्प्यूटर के फक्शनिंग में कुछ खामियां व दिक्कतें हैं, जैसे इरेगुलर सप्लाई आफ इलेक्ट्रिसिटी फ्लक्चुयेशन आफ पावर वोल्टेज। अभी 2 फरवरी को ही दिल्ली में, रिजर्व बैंक आफ इंडिया में क्लेयरिंग हाउस में इलेक्ट्रिसिटी की शार्टेज के कारण काम बंद रहा। इसलिये मैं मंत्री महोदय से जानना चाहती हूं कि इलेक्ट्रिसिटी की शार्टेज और फलक्चुयेशन आफ पावर वोल्टेज की वजह से जो यह दिक्कत पैदा होती है इसको दूर करने के लिये सरकार क्या कर रही है ?

SHRI EDUARDO FALEIRO: Sir, computerisation in banks is being done in a phased manner, in a staggered manner and, in terms of the settlement arrived into by the management with the unions. And the first settlement was arrived at in September, 1983. It has now been renewed on 29th March, 1987 up to September, 1989. And it is in terms of this that computerisation is being done, as I have said earlier, in a phased manner, in a stageered manner. And considering all things, availability of computers, the requirements, the inconvenience to the staff and so on, in the interest of staff, in the interest of users of the bank, in the interest of bank management, computer-

isation is being done. It is being done in a phased manner. And, therefore, it is done with t'ne consent of the major unions in terms of the settlement. Now if more details "are wanted exactly what the terms of the settlement are, I am prepared, if the hon. Member so desires, to lay a copy of the settlement on the Table. As far as the fluctuations of power are concerned, these computers have standby arrangements. If the fluctuation of power or the failure °f power is for a short period of time, then the computer will function. If the fluctuation of power or the failure of power is for a longer period of time, then the problem will arise. We will look into this problem and take necessary action in this regard so that the computers function effectively. They are functioning, by and large, effectively in the interest of the users of the bank, they are functioning effectively in the interest of the staff, they are functioning effectively in the interest of overall management of banking which is the overall management of the economy.

श्रीमती वीणा वर्मा : सरकार ने बैंकों में कम्प्यूटर पर काम करने के लिये स्टाफ को ट्रेनिंग देने की क्या कोई व्यवस्था की है ? मैं यह भी जानना चाहती हूं कि यह ट्रेनिंग प्रोग्रम क्या है और कम्प्यूटर अपग्रेडिंग प्रोग्राम क्या है ? मान्यवर, नेशनल आर्गनाइजेशन आफ बैंक वरकर्स का कहना है कि बैंकों में कम्प्यूटराइजेशन अमानवीय है । इससे हैल्थ पर असर पड़ता है और अ।मतौर से महिलाओं के स्वास्थ्य पर इसका काफी खराब असर पड़ता है । अतः मैं मंत्री जी से जानना चाहती हूं कि हैल्थ हैजार्डस को दूर करने के लिये उनके विचार में क्या प्रोग्राम है ?

SHRI EDUARDO FALEIRO; Well, I am surprised to hear this particular a"– legation that computerisation affects the health of the women or men for that matter. It is for the first time that I hear this allegation. And with due respect to the hon. Member, 1 should say that it is a pretty wild allegation knd has no basis, in fact, anywhere where computerisation has been in use. In fact, computerisation is good for the employees because it cuts a lot of drudgery 'and a lot of work that would otherwise have been gone into by the employee. That is reduced and reduced substantially and the drudgery is removed largely from the work of the employee by the use of computers. Obviously, Sir, those who are in charge of manning the computers they 'are given the training on the lines suggested by the Hon. Member.

SHRI KAPIL VERMA: Sir, two committees were set up *to* study modernisation, computerisation, etc. in the banking sector. One was headed by Mr. Dandekar and it submited is report in 1972. The other committee was headed by Mr. Rfcn-garajan, Deputy Governor of the Reserve Bank of India, and it submitted its report in 1984. Now, I want to know what part of these reports has been implemented and what part has not been implemented and why not. And 'his experts committee has not gone into the working of many institutions as recommended by Mr. Dandekar. What *%rt* the reasons for that? Secondly, Sir, what are the main objections coming from the unions which have not accepted the agreement and whether there has been any evaluation of the i"a" pact of computerisation programme on banks.

SHRI EDUARDO FALEIRO: Sir, the reports of the committees that the hon. Member has referred to, they are being taken into account fcnd they are being incorporated after agreement with the unions in the terms of the settlement. In the terms of the settlement it has been mentioned to what extent the reports have been accepted or not. Then, on the other part of the question, as to what are the objections raised, I would like *to* say that all the unions by and large, have accepted computerisation. Only two unions, one has a strength of 6 per cent and the other. NOBW, which has a strength of 3 per cent among the employees, have opposed computerisation.

SHRI KAPIL VERMA**:** On what grounds?

SHRI EDUARDO FALEIRO: All the rest, excepting this 9 per cent, have accepted computerisation in a phased man-*ner. The grounds on which they are objecting, we understand, Sir, the grounds of objection are particularly that it will affect employment opportunities in banks. Here, I would like to submit, Sir, that not one single worker, not one single employee has been retrenched as far as computerisation is concerned and wc do not intend to retrench a single person while introducing computerisation. Computerisation is for the benefit of the workers. Computerisation is for the benefit of the people and is. not at all on the lines which these two small minority unions are trying to propagate.

SHRI KAPIL VERMA; What is your evaluation of the impact?

SHRI EDUARDO FALEIRO; Very positive for the bank management, facility for the consumers and for the benefit of the staff.

PROF. B. RAMACHANDRA RAO; Mr. Chairman, Sir, a lot of misconception about computerisation, not only in banks but in every sector, in every public sector, is there. I would like to know from the Minister whether apart from training of tl)£.- staff, any scheme for educating the people about the benefits of computerisation in banks has been launched. Because even the public had certain misconceptions as you have heard from the Member who proposed this question. The second part is that when you see the savings bank's account statements, bank passbooks, none of the writings in them are legible and j sometimes we are lost to know which, [1] is correct. Besides sometimes there are ; also mistakes, which we cannot find out. I would like to know whether this computerisation will be brought in the savings pass book$_s$ "and the monthly statement of •accounts and in the reconciliation of cheques, drafts, etc., inter-state; inter-district bank transfers and cheques and also whether computerisation is being used for the planning and development of the banking system in the country.

SHRI EDUARDO FALEIRO; As I have mentioned, all these aspects that the hon. Member has mentioned, they are being considered in the use of computers. But they are being used, these computers are being used in a phased manner. It is not all across the board, but in a phased manner that these are being used. The other suggestions that the hon. Member has made, I have noted them and we shall consider them,

SHRI RAOOF VALIULLAH: Sir, would the hon. Minister be pleased to state whether computerisation in banks would lead to better customer service, more effective control of inventories and settlement of accounts and stricter check on bank frauds? Sir, bank frauds have been occurring almost every day. I would like to know whether computerisation would lead to stricter check on bank frauds, and what has been the experience so far.

SHRI EDUARDO FALEIRO: I will mention some of the advantages to the customers arising out of the use of computers The customer is abole to get the statement of account on demand. The customer is satisfied that there is greater accuracy and greater reliability on the statements. Interest calculation is more accurate. Standing instructions can be promptly complied with. As regards advances, the customer would be in a position to know how much he has overdrawn, at short notice. As far as the employees are concerned, th$_e$ advantages are that the drudgery of totalling, subtracting etc. is removed; balancing of books becomes easier; computerisation of pay rolls and provident fund enables the employees to have a proper and accurate position of accounts in time; frauds are more easily detected by anybody, any time.

SHRI RAOOF VALIULLAH; What is your experience?

SHRI EDUARDO FALEIRO; It helps in checking.

SHRI VISHWA BANDHU GUPTA. I would like to ask the hon. Minister whether he is aware of the fact that computers are also capable of giving false information ad frauds can be committed by expert whiz-kids on computers by

drawing money from the banks, through the computers. Is it in his knowledge? If it is, I want to know whether he is planning to have a super-computer to keep a watch on other computers, in different banks.

SHRI EDUARDO FALE1RO; Fortunately, this expertise has not widely spread; at least in our country, it is not there and I hope it-will not spread so that we have a computer to watch computers.

SHRI VISHWA BANDHU GUPTA: It is very easy; at the stage of data entry ...

श्री सभापति : वह बतला नहीं रहे हैं, वरना यह सब में फैल जाएगी और बैंकों में दिक्कत हो जायगी ।

SHRI GHULAM RASOOL MATTO: It is a fact that computerisation is the need of Hie .Jay and we cannot do without it. But I have an experience with a foreign bank, Grindlays Bank where a thorough training is given to those who handle computer machines and besides that, for input, they are given further 3-4 months training, vigourous training r would like to know from the hon. Minister whether this vigorous training is given to lower level employees and also to those who have to supply input software.

SHRI EDUARDO FALEIRO; Banks generally make necessary arrangements for training-, in consultation with Reserve Bank of India. As per the information available with us, data entry operators and other staff are given the training. So far as the systems analysists and programmers are concerned, as against one thousand persons to be trained, as recommended by a committee—Rangarajan Committee—1,721 officers have been trained. Besides, large number of executives have undergone appreciation courses for proper appreciation of use of computers, and this is how th's' training programme is going on.

MR CHAIRMAN; Next question.

Evasion of sales tax in Delhi

282. SHRI ANAND SHARMA-
SHRI MUKHTIAR SINGH MALIK;

Will the Minister of HOME AFFAIRS be pleased to state;

(a) whether it is a fact that Delhi tops in the matter of sales tax evasion, as per an official study conducted on behalf of the Delhi Administration; and

(b) if so, what steps have been taken by Government to check such sales tax evasion?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI CHINTAMANI PANIGRAHI); (a) and (b) A statement is laid on the Table of the House.

Statement

In 1982, the Delhi Administration entrusted the National Institute of Public Finance and Policy with a study on the sales tax system in the Union Territory of Delhi. The Institute ehose only two commodities, namely, automobile parts arid sanitary-wares and fittings to study the magnitude of sales tax evasion. In comparison to Tamil Nadu, Kerala and Bihar for which studies were made in respect of automobile parts, it has pointed out that evasion in Delhi was higher. The report of the Institute is based on several assumptions and is related to the years 1977-78 and 1978-79.

Various steps have been taken to prevent loss of revenue and plug the possible loopholes. Quite a large number of classes of goods have been shifted from the last point to the first point for the levy, of tax. Dealer to dealer transactions are being got verified in doubtful cases. Surveys Of dealers to detect cases of tax

•J-The question was actually asked on the floor of the House by Shri Anand Sharma. '